



COUNCIL WORK SESSION

Tuesday, May 6, 2014

6:15 p.m.

Coon Rapids City Center

Conference Room 1

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Consider Participation with Anoka County in Foley/Northdale Intersection Reconstruction
2. Senior Housing Development Proposal, Port Campus Square

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 05/06/2014

Subject: Consider Participation with County in Foley/Northdale Intersection Reconstruction

From: Marc Nevinski, Community
Development Director

INTRODUCTION

Council is asked to consider participation in the reconstruction of the Foley/Northdale intersection.

DISCUSSION

On April 15th, the Council discussed a proposal by Anoka County to participate in the acquisition of several properties in the Northwest quadrant of the Foley/Northdale intersection. Council expressed reluctance to participate but asked staff to look further into the anticipated costs and opportunities for redevelopment.

Staff reviewed the various parcels in the area, including those that would be directly affected by the road realignment, as well as parcels likely needed for future redevelopment of the quadrant. Staff considered assessed market values, typical relocation costs, and recent sales of similar properties to estimate costs and possible sale proceeds.

Properties Required for Northdale Realignment \$ (1,368,700)
Additional Properties Required for Redevelopment \$ (1,701,000)
Sale Proceeds of Development Parcels \$ 1,169,000
County Contribution @ 50% for Two Parcels \$ 465,650
NET (Expense) Revenue to City \$ (1,435,050)

Staff estimates the City's cost to participate in realigning the intersection and creating redevelopment parcels to be at least \$1.4M. (Note that property values are based on assessed market values.)

Staff does not recommend the above option given the costs and the lack of a redevelopment plan for the area. Additionally, staff does not believe future redevelopment of the quadrant is precluded if the City does not participate in the project and Northdale Boulevard is not realigned.

Alternatively, Council could decide the realignment of Northdale Boulevard is enough of a priority to participate in the acquisition of two properties for the roadway, but not pursue further acquisitions. Staff estimates the City's share to be approximately \$500,000 - \$750,000, although the County has not yet finalized project costs. Under this scenario, the future use of the remnant parcels is unclear. Storm water ponding is one option, but requirements and conditions are still being determined. Another option might include the City holding the parcels until redevelopment opportunities emerge and include some beautification improvements as an interim use. Should the Council wish to participate in this project, funding could come from the HRA, construction funds, or other sources.

RECOMMENDATION

Council direction is requested.



City Council Work Session

2.

Meeting Date: 05/06/2014

Subject: Senior Housing Development Proposal, Port Campus Square

From: Matt Brown, Community Development
Specialist

INTRODUCTION

Staff requests feedback on a development proposal for the City-owned land east of the Coon Rapids Ice Center in Port Campus Square.

DISCUSSION

Staff has had discussions with Dominion, a Twin-Cities-based housing developer, about various sites for a senior rental project. Dominion is particularly interested in developing a senior building on approximately four acres immediately east of the Coon Rapids Ice Center. The Port Campus Square Master Plan, adopted by the Council in 2013, recommends developing that land with senior housing. Dominion proposes a four or five story, 150-unit building oriented toward individuals age 55 and up. All of the units would be affordable to households at or below 60% of the area median income, which reflects the income level of many senior households in the City. The building would have several amenities for residents and would be similar to a property in St. Anthony that a few Councilmembers visited on a development tour in April. While Staff is still reviewing the project pro forma, it is expected that a financing gap will exist. The developer proposes that the gap would be filled by a HOME grant from Anoka County, as well as deferred payment on the land. Tax increment financing is also proposed, which could be used to repay the HRA for the house it acquired earlier this year at 10920 Crooked Lake Boulevard as well as various public improvements near the site.

Staff feels that Dominion's proposal is a good fit for the site. Because Staff have only informally marketed the property through conversations with developers, Staff requests feedback from the Council. Provided the Council wishes to continue negotiating with Dominion, Staff will work out details of a potential sale and the developer will proceed with more specific plans.

RECOMMENDATION

Staff recommends that the Council direct Staff to continue discussions with Dominion on developing senior housing on the Port Campus Square site. Staff also requests any feedback from the Council regarding its expectations for development and sale of the property.

Attachments

Location Map

